

BA Programme

SUS1EC103

Course Code:

Course Title:

Macroeconomics I

Semester: III

Credits: 4

Type of Course: This course is a compulsory course for those pursuing a Major in Economics. It is also available to students of other streams provided they have studied and passed Mathematics at the +2 level. Completion of this course would also be a prerequisite for taking EC08 (Macroeconomics II) which shall be offered in Semester IV.

Course Description: This course, along with its sister course in the next semester, will cover the standard economic analysis of the behaviour of economic aggregates like GDP, employment and the price level in a market economy characterized by the use of money and credit, bringing in also the open economy context. Problems like business cycles and inflation shall be covered in these courses along with an assessment of the role government policy can play in mitigating or creating such phenomena.

Main Topics

Introduction: Historical and Institutional Context, Macroeconomic Aggregates, the Circular Flow of Income, Time-Periods.

The Classical and Keynesian theories of short-run aggregate equilibrium.

The IS-LM model and the Aggregate Demand-Aggregate Supply (AD-AS) framework.

Inflation and Unemployment: The Phillips Curve

The Keynes vs. Classics debate and alternative macroeconomic traditions: A Preview

Suggested Readings:

Richard T. Froyen – Macroeconomics: Theories and Policies, 8th Edition, Pearson Education.

Oliver Blanchard – Macroeconomics, 4th Edition, Pearson Education.

Amit Bhaduri - Macroeconomics: The Dynamics of Commodity Production, Macmillan, 1986.

Wendy Carlin and David Soskice - Macroeconomics and the Wage Bargain: A Modern Approach to Employment, Inflation, and the Exchange Rate, Oxford University Press, 1990.

Brian Snowdon and Howard R. Vane – Modern Macroeconomics: Its Origins, Development and Current State, Edward Elgar, 2005.

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